

# *Thriving Through Tough Times*

LLNL Presentation at 2013 UCOP / US Bank P-Card Conference

Ann Huber, P-Card Program Manager

Annette Moyle, P-Card Program Administrator



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# LLNL's Trials and Tribulations

- Voluntary Separation Program (VSP) in June
  - Lost 399 employees (LLNL population is now ~6,500)
    - Lost 16 cardholders (LLNL now has 106 cardholders, 37 self-report as full time)
  - Procurement Call Center closed
    - No more hand-holding
      - Requiring Cardholders to use on-line resources
    - Established email address for cardholders' questions
      - Discouraging phone calls to P-Card Program personnel unless urgent
  - Increased individual workload
    - Job responsibilities of VSP'd employees had to be absorbed
- Budget Constraints
  - Delay in Congress passing budget
  - Procurement (and Travel) cut backs
    - In many cases, cardholders' number of orders remained same, just \$\$ reduced

# Streamline Processes

- Reduce New Cardholder Training
  - LLNL is cutting classroom time in half
    - Requiring more prerequisites
  - Eliminating organizational Subject Matter Expert presentations
    - Simplifies presentation planning/scheduling
- Evaluate Need for Commodity/Service Approvals
  - LLNL has a 60-page Controlled Items/Services List (CISL)
  - Many organizations on list for data-gathering purposes only
  - Enhance reporting capabilities for those organizations and remove from CISL

# Streamline Processes cont.

- Consider Providing Pls/End Users P-Cards
  - LLNL is evaluating putting cards in end-user's hands
    - Many unanswered questions about controls and responsibilities
    - In process of benchmarking with LANL and Sandia
- Improve Audit Finding Rebuttal Process
  - Must be done through in-house system within 3 business days
  - In FY13, of the 78 Findings issued, 37 were rebutted, resulting in 26 reversals

# Evaluate Internal Procedures

- Challenge Legacy
  - LLNL continues to look for stop gaps that may have prevented order from being placed on P-Card
    - Goods vs. Service classification
    - Tax reporting issues
    - Property Thresholds
- Enforce Proper Procurement Method
  - Push back on cardholders to place P-Card orders instead of a Purchase Order
    - Requires Coordination with Procurement Buying Groups
- Evaluate P-Card vs. Release Orders - Ongoing Effort
  - Blanket Agreement Report indicates P-Card and Release spend
    - Easily identifies areas of opportunity to discuss with cardholder and/or buyer/contract administrator responsible for agreement

# Evaluate Internal Procedures cont.

- Grant One-Off Approvals to Place P-Card Orders in Lieu of a Purchase Order
  - Examples:
    - Purchasing services with a non-corporation (tax reporting issue)
    - Purchasing from a non-approved supplier
    - Advance Payments
    - Split Requests/Split Orders
    - P-Card Policy Manual Exemption Form (granted for 1 year period)
    - Controlled Items/Services List Exemption Form (granted for 1 year period)

**For every rule there is an exception!**

With adequate justification, requests to place P-Card order vs. a Purchase Order may be approved.

# Reduce Frequencies

- Self Assessment Reviews (P-Card & Releases)
  - Quarterly Reviews reduced to triannual reviews (3x per year)
    - Objective (reviewers are told what orders to review)
    - Orders selected based on output from EZ Quant software program
  - Weekly Reviews conducted only on P-Card transactions remain unchanged.
    - Subjective (reviewers determine what orders they wish to review)
    - Orders selected using ACL and in-house designed reports
- P-Card Mandatory All Hands Meetings
  - P-Card Program reduced meetings from 3x per year to 2x per year.
    - Meetings are 90 minutes
    - Presentations by other approving/reviewing organizations
    - Training Tidbits
    - Self-Assessment Hot Tops
    - General Policy/Procedure Reminders

# Implement Monthly Communications

- Summary of Controlled Items/Services List Findings
  - Informs all Cardholders of infractions - fiscal year to date
  - Brings awareness so they might not commit same infraction
- Active Blanket Agreement Reports
  - Constant reminder of current blanket agreements in place
  - Identifies what agreements cover P-Card as a procurement method
    - allows for higher P-Card order (\$500k split into \$100k increments)
- Topic of the Month
  - Policy issue getting most attention



# Questions?

